CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Cenex Pipeline Easement Amendment and Land Use License
Proposed Implementation Date:	2014
Proponent:	Cenex Pipeline LLC
Location:	T6N-R41E-Sec 29
County:	Rosebud County

Definitions

I. TYPE AND PURPOSE OF ACTION

Cenex Pipeline LLC (henceforth referred to as Cenex) has requested amend their existing 75 foot wide right of way easement for an 8" crude oil pipeline located on state owned T6N-R41E-Sec 29 with a 10" Crude Oil Pipeline. The total planned length of the pipeline replacement is 24.5 miles. This phase of the pipeline replacement will originate near Forsyth, Montana, and terminate near Hathaway, The total length of right of way easements amendment requested on state land is 270 rods, encompassing acreage of 7.67 acres. Once the proposed 10 inch line is placed in service the existing 8 inch line will be decommissioned purged and capped.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:
Provide a brief chronology of the scoping and ongoing involvement for this project.

The Eastern Land Office staff has been working with land agents for Cenex Pipeline LLC beginning in March of 2014. This included preliminary project overviews, staking requests, route reviews, on ground surveys and reviews of the easement process. Cenex submitted an easement amendment for sections of State Trust Lands within the project corridor. This easement amendment is being reviewed in conjunction with preparation of site specific Environmental Assessment.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

Montana Department of Environmental Quality; Permitting and Compliance Division; Water Protection Bureau:
401 Permit, 318 Permit, NPDES Permit
Montana Department of Fish, Wildlife and Parks
Montana Public Service Commission
Montana Department of Natural Resources; Water Resources Division:
Beneficial Water Use Permit
Montana Historical Society
United State Department of Defense; U.S. Army Corp of Engineers:
Nationwide Permit 12, 404 Permit
United States Fish and Wildlife Service:
Section 7 Endangered Species Act
Local Conservation Districts:
Section 310 Permit

3. ALTERNATIVES CONSIDERED:

Alternative A- Grant right of way easement amendment to Cenex for the purpose of installing, operating and maintaining a 10" crude oil pipeline within their current right of way easement D-3588 along with a land use license for temporary workspace.

Alternative B- No Action

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Alternative A- Moderate to extensive soil disturbance may take place along the pipeline route. This disturbance would be in relation to trenching and pipeline construction. Soils identified on the tract within the route of the pipeline are mostly sandy and shallow/ shallow gravel soil types. Most soils on the state land are moderately stable and not easily compactable. The construction plan calls for topsoil to be stripped and stockpiled separate from spoil material. Upon restoration all removed topsoil will be replaced. Trench and slope breaking devices as well as silt fences and straw bales will be used to prevent soil erosion. Construction sites will be continuously monitored to ensure proper restoration. No highly erosive or unstable soils were noted within the project scope during the field inspections.

Alternative B- No Impact.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Alternative A- Minimal impact to water quality, quantity and distribution could be expected. Construction methods could increase soil compaction which could lead to increased runoff and slower soil absorption. Mitigation procedures would include de-compaction of the soil within the trench area and work space after construction completion to allow for improved drainage. The project would cross no perennial or intermittent streams on state owned trust land. Groundwater resources should not experience significant impacts due to the shallow construction of the line and relatively deep depth of the aquifers. All construction methods will be done in a way to minimize impacts to both ground and surface water sources.

Alternative B- No Impact

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Alternative A- Construction could be expected to temporarily impact local ambient air-quality. This impact would be produced through fugitive dust as well as emission from construction equipment. This temporary localized impact should only take place on these tracts of trust land during clearing, construction and restoration processes. Fugitive dust would be controlled through applying water to roads and work areas as well as revegetating the disturbed areas in a prompt time frame after construction. Impact from construction would be temporary and should not result in significant impacts in air quality.

Alternative B- No Impact

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Alternative A- Potential disruption to the vegetative community within the area of construction could be expected. This disruption would come in the action of clearing and construction. Current plant species which occupy the construction area include Western Wheatgrass (Agropyron smithii), Green Needlegrass (Stipa viridula), Blue Bunch Wheatgrass (Agropyron spicatum), Prairie Sandreed (Calamovilfa longifolia), Little Bluestem (Schizachyrium scoparium) Needle and Thread (Stipa comata), Prairie Junegrass (Koleria pyramidata), Blue Grama (Bouteloua gracilis), Threadleaf Sedge (Carex filifolia), Silver Sagebrush (Artemisia cana), Fringed Sagewort (Artemisia frigida), Broom Snakeweed (Gutierrezia sarothrae), Downy Brome (Bromus tectorum) and Japanese Brome (Bromus japonicus).Cenex has created a restoration plan to address disturbances to the plant community. Construction areas will have stored topsoil replaced, contoured and reseeded to a native seeding mixture designed by the Eastern Land Office field staff. Cenex has created a noxious weed control plan to monitor and treat noxious weeds within the construction area until a self sustaining vegetative community is reestablished. Any noxious weed infestations caused by construction on state land will be the responsibility of the proponent to control. All weed plans will be submitted to the appropriate County Weed Board for revisions and approval.

Alternative B- No Impact

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Alternative A- This project may disrupt wildlife habitat for a number of species. Species which may have habitat in the area of the project may include deer, elk, antelope, rodents, coyotes, foxes, mountain lions, rodents, amphibians, raptors, migratory and prairie birds. The majority of disruption would occur during the construction and reclamation phases of the project. Upon project completion habitats and wildlife utilization should return to normal preconstruction levels.

Alternative B- No Impact

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

Alternative A- A search of the Montana Natural Heritage Program Database shows no threatened, endangered or sensitive species within the general project area. A field review of the site also noted no species of concern within the project area.
Alternative B- No Impact

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

Alternative A- No historical or archeological sites were noted within the pipeline corridor upon field inspection. A search of the Trust Land Management Database shows no noted historical or archeological sites. The area of construction will be located in a previously disturbed pipeline corridor. If the proponent were to find an area of

significance construction would be halted until the DNRC staff archeologist could be consulted on an appropriate course of action.

Alternative B- No Impact

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Alternative A- Alteration of the viewshed may occur during the clearing, construction and restoration activities. Most areas of the project on State Trust Lands are remote and are not visible from populated areas while others are visible from county roads and state highways. Construction activities may leave a temporary mark on the vegetative community which should recover fully after restoration is complete generally within 3 years or less. No above ground structures are included within the easement request. Noise levels may also be increased during the clearing construction and restoration activities. These noise levels may be increased moderately from ambient levels. These noise increases should only be short term in duration. These noise levels may disrupt some wildlife within the immediate area during the construction phase. Construction is scheduled to take place during daylight hours and should not affect local government quiet hours. No detectible noise is anticipated along the route during operation of the line.
Alternative B- No Impact

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Alternative A- Limited land resources would be utilized in the short term; once reclamation is complete depleted resources should be restored to pre construction levels.

Alternative B- No Impact

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Montana Department of Environmental Quality; Permitting and Compliance Division; Water Protection Bureau:
    401 Permit, 318 Permit, MPDES Permit
Montana Department of Fish, Wildlife and Parks
Montana Public Service Commission
Montana Department of Natural Resources; Water Resources Division:
    Beneficial Water Use Permit
Montana Historical Society
United State Department of Defense; U.S. Army Corp of Engineers:
    Nationwide Permit 12, 404 Permit
United States Fish and Wildlife Service:
    Section 7 Endangered Species Act
Local Conservation Districts:
    Section 310 Permit

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

Alternative A- There may be potential health and safety risks associated with this project. These risks can be mitigated with proper training and on site safety protocols. Cenex will adhere to DOT Minimum Federal Safety Standards. Hydrostatic testing, corrosion and cathodic protection, internal inspection, and continuous monitoring will be employed to protect health and human safety. Cenex will also participate in state "one call" programs. Some increase in traffic in rural areas may slightly increase the chance of traffic accidents.

Alternative B- No Impact

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

Alternative A- This proposed project should have a long term positive effect on industrial and commercial activities through increasing transportation capabilities for domestically produced crude oil. This project may have a short term negative effect on agricultural activities and production. The tract that the proposed pipeline will cross is made up of native rangeland. The proponent will be required to contact the lessee and make sure that the agricultural activities on these tracts are complete prior to construction or other plans have been made to compensate the lessee for actual losses. These negative effects should only last through the construction and restoration phases of the proposed project. Cenex will coordinate with landowners to repair any damaged infrastructure (fences, cattle guards, stock water pipelines).

Alternative B- No Impact

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Alternative A- This project has the potential to create jobs with further development possibilities. Indirect increases in employment may also occur due to increased demand for service oriented businesses during the construction of the project. Direct and indirect economic impact of the area is expected to be short with construction expected to take a few months.

Alternative B- No Impact

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Alternative A- This project is expected to increase tax revenue within counties crossed by the pipeline through issuance of property taxes, applicable local taxes, and payroll taxes collected from employees working in Montana. Expected tax revenue increase is not known at this time.

Alternative B- No impact additional tax revenues would not be realized.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Alternative A- Traffic levels could increase marginally during the construction phase of this project. No additional police and fire protection or county road maintenance should be required.
Alternative B- No Impact

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Alternative A- There is no noted adopted environmental plans or goals within the boundary of the easement requested.

Alternative B- No Impact

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Alternative A- This proposed project and easement request should have only a minimal effect on access to recreational and wilderness activities. These opportunities may be disrupted during construction and restoration phases of the project. These phases will be short term in nature and should have no lasting effect on recreational activities.

Alternative B- No Impact

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Alternative A- There is potential for a short term temporary increase in population as well as housing demand. The estimated maximum work force is unknown at this time.
Alternative B- No Impact

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Alternative A- This project has the potential to have a minimal and temporary disruption of native or traditional lifestyles. This disruption should cease once the construction and reclamation phases are completed.

Alternative B- No Impact

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

Alternative A- No Significant Impact

Alternative B- No Impact

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Alternative A- This project would require the purchase of a right of way easement amendment across this tract of Trust Land. The proponent has offered a price per rod of this easement of $30.00. The total easement revenue to the trust would be approximately $8,100.00. Price will be subject to the State Board of Land Commissioners approval and could change to increase revenue to the trust.

Alternative B- Additional revenue to the trust through the sale of a right of way easement would not be realized.

EA Checklist Prepared By:	**Name:**	Scott Aye	**Date:**	4-15-14
	Title:	Land Use Specialist		

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative A

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The granting of the requested right of way easement and land use licenses across state owned trust lands for the proposed Cenex Pipeline Replacement should not result in nor cause significant environmental impacts. The predicted environmental impacts have been identified and mitigation measures addressed in the Department of Natural Resources and Conservation easement stipulations. The predicted impacts will be adequately mitigated through the construction and reclamation plans. The proposed action satisfies the trusts fiduciary mandate and ensures the long term productivity of the land. An environmental assessment checklist is the appropriate level of analysis for the proposed action

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ]	EIS	[ ]	More Detailed EA	[X]	No Further Analysis

EA Checklist Approved By:	**Name:**	Marc Aberg		
	Title:	Eastern Land Office; Land Program Manager		
Signature:	/s/ Marc A. Aberg		**Date**:	4-15-14